

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
July 8, 2009

Project Number CA-2009-501

Project Name The Commons at Lancaster
Site Address: 665 West Lancaster Blvd.
Lancaster, CA 93534 County: Los Angeles Census Tract: 9008.06

Applicant Information

Applicant: North Downtown Renewal, L.P.
Contact: Carol Cromar
Address: 4220 West 2100 South Street, Suite D
Salt Lake City, UT 84102
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General Partners(s) Type: Joint Venture
The general partners or principal owners are: Housing Corporation of America and InSite Development, LLC.

Information

Set-Aside: Small Development
Housing Type: Large Family
Geographic Area: Los Angeles County
Proposed Average Affordability: 49.99%

Project Information

Construction Type: New Construction/Rehabilitation
Total # of Units: 21
Total # Residential Buildings: 1

Davis-Bacon or NEPA Required: Yes

State Prevailing Wages Required: No

2007 TCAC Project Number: CA-2007-102

Original 2007 Federal Tax Credits Allocated: \$629,112

2007 Federal Tax Credits Exchanged/Returned: \$629,112

Applicable Fraction: X .85

Cash Award Recommended: \$5,347,452

Approved 2007 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
2 Four-bedroom units	30%	\$643
2 Four-bedroom units	40%	\$858
10 Four-bedroom units	50%	\$1,072
6 Four-bedroom units	60%	\$1,286
1 Four-bedroom unit	Manager's unit	\$1,286

Project Financing

Estimated Total Project Cost: \$9,698,725 Per Unit Cost: \$461,844

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
East West Bank	\$4,100,000	CCRC	\$1,720,000
TCAC ARRA Funds	\$5,598,725	GP Loan	\$2,048,523
		Deferred Developer Fee	\$582,750
		TCAC ARRA Funds	\$5,347,452
		TOTAL	\$9,698,725

Income and Expense Statement for Year 1

Gross Residential Rents:	\$292,560
Miscellaneous Income:	\$3,024
Less Vacancy Rate: 5%	\$(14,779)
Total Effective Gross Income:	\$280,805
Less Total Expenses/Reserves:	\$101,245
Net Operation Income:	\$179,560
Debt Service:	\$149,337
Debt Service Ratio:	1.20 to 1

Annual operating expenses exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations.

Standard Conditions

The Committee may make a Conditional Reservation of American Recovery and Reinvestment Act of 2009 (ARRA), Section 1602 funds for the project. This Conditional Reservation would not constitute a commitment. The provision of any funds is conditioned on TCAC's determination to proceed with, modify or cancel the project based on further underwriting and review.

All ARRA funded projects will be required to track and report on all jobs created or retained as a result of the funds.